



May 1, 2013

**Los Angeles County
Board of Supervisors**

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TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Don Knabe
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **ADVANCED NOTIFICATION OF SOLE SOURCE
AGREEMENT NEGOTIATIONS WITH TOSHIBA
AMERICA MEDICAL SYSTEMS**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

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Deputy Director, Strategic Planning

This is to advise the Board that in two weeks' time, the Department of Health Services (DHS) intends to enter into sole source agreement negotiations with Toshiba America Medical Systems (TAMS) for equipment maintenance and repair services of the Computed Tomography (CT) scanners located at LAC+USC Medical Center (LAC+USC MC). Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for agreements over \$250,000.

Background

In November 2008, LAC+USC MC purchased four TAMS CT scanners for the replacement facility – three for the Radiology Department and one for the Emergency Room (ER). TAMS provided a maintenance warranty for two years and LAC+USC MC purchased an extended warranty for three additional years that will expire on November 6, 2013. The equipment will need to be covered under a Board-approved Agreement by November 7, 2013 in order to meet the Joint Commission's requirement to cover medical equipment maintenance under a services contract and ensure this critical equipment is appropriately maintained.

Unlike traditional x-ray systems that provide images in two dimensions, CT images allow for cross-sectional views of body organs and tissues. The CT scanner provides more effective medical management by helping physicians determine when surgeries are necessary, reducing the need for exploratory surgeries, improving cancer diagnosis and treatment, reducing the length of hospitalizations, guiding treatment of common conditions such as injury, cardiac disease, and stroke, and

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improving patient placement into appropriate areas of care, such as intensive care units. With these TAMS CT scanners, patients can be scanned quickly in the ER, so physicians can rapidly assess their condition. When emergency surgery is necessary to stop internal bleeding, CT images show the surgeons exactly where to operate.

Justification

The basis for the sole source determination is based on the fact that TAMS is an Original Equipment Manufacturer (OEM) and is the sole provider of maintenance services and parts for this proprietary equipment. Only TAMS technicians are certified to repair and maintain the proprietary equipment.

DHS will proceed with the sole source negotiations with TAMS within two weeks from the date of this memo unless the Department is instructed otherwise by the Board.

If you have any questions, please let me know.

MHK:kh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors